

DHCD is committed to affirmatively furthering fair housing in Massachusetts, and as such, has drawn insight from various sources on current impediments to fair housing access and recommended action steps to mitigate such impediments. In this report, a variety of indicators are examined to illuminate the extent and complexity of impeded fair housing access in Massachusetts. Such indicators include: the economic (housing tenure, housing related cost burdens); the geographic (residential segregation); the socio-structural (discriminatory housing practices and the lack of, or perceived lack of, community openness to certain types of households); and the personal (awareness and exercise of fair housing rights and housing opportunities). Such indicators are often inter-related and therefore must be considered in conjunction when determining future action steps to affirmatively further fair housing. DHCD is committed to working with communities and its partners to mitigate the identified impediments to fair housing access. Some notable findings with respect to fair housing impediments are discussed below, as well as a summary of action steps to mitigate impediments to fair housing access.

#### Economic Indicators:

- Race and ethnicity are strong indicators of poverty levels in Massachusetts and all counties. In Massachusetts, Asians were more than twice as likely as Whites to have income below the poverty level, Black or African Americans were more than three times as likely, and Hispanics or Latinos were more than four times as likely. Poverty levels were highest in counties over-represented by Black or African Americans and Hispanics or Latinos in comparison to the representation of these groups in the total population. This over-representation was most notable in Suffolk, Essex, and Hampden Counties.
- In Massachusetts, approximately one-third of those who speak Asian and Pacific Island languages were linguistically isolated. Spanish speaking individuals were the second most likely to be linguistically isolated, and approximately one-fourth of such individuals were linguistically isolated. The Massachusetts Institute for a New Commonwealth and the Center for Labor Market Studies 2005 report indicates that foreign immigration status and linguistic isolation has a substantial effect on residential patterns as well as education, employment, and income. For example, immigrants were more than three times as likely as native-born adults to lack a high school diploma; one-fourth of immigrant workers that arrived in the 1990s had limited English-speaking skills; and immigrants who only spoke English at home earned on average 2.5 times more than immigrants who did not speak English well.
- Although the median household income of Black or African Americans and Hispanics or Latinos in 1999 was nearly two-thirds and one-half of non-Hispanic

Whites respectively, median gross rents and ownership (with mortgage) costs did not vary as substantially among these groups.

- In Massachusetts, non-Hispanic Whites were approximately 1.6 times as likely as Asians, more than twice as likely as Black or African Americans, and more than three times as likely as Hispanics or Latinos to inhabit ownership units. Minority homeownership rates generally remained lower than White homeownership rates in selected cities that varied by region, wealth, and minority representation. Within selected cities over-represented by minority householders, Whites were still more likely to own homes than minorities.
- However, minority homeownership has increased over time. Pursuant to U.S. Census data, White households represented 96% of owner occupied units in Massachusetts in 1990, contrasted with 93% in 2000. In the Metro Boston area, Black or African Americans saw the most gains in homeownership in the 1990s compared to other racial (not Hispanic) groups, particularly in Boston, Brockton, and Randolph. While African American owners increased by 60% in Metro Boston, White owners only increased by 15%. Latino owners increased the most in Metro Boston at 70%.
- Larger families are more likely to have lower incomes in comparison to the HUD area median income (AMI) than smaller families. There was an inverse relationship between family size and housing opportunities, as larger families in need of larger units had less housing choice.
- In Massachusetts, 75% of owner occupied units contained between 3 and 5 or more bedrooms, while only 23% of renter occupied units contained between 3 and 5 or more bedrooms.
- Married couple householders with children under 18 years of age in Massachusetts were more than twice as likely to own their homes compared to female headed households with no husband present and children under 18.
- Disabled individuals that rent, particularly units that are not subsidized, face similar obstacles to handicap accessibility, regardless of poverty level. Only approximately 5% of units occupied by renters below the poverty level, and 4% of units occupied by renters above the poverty level, were built after 1990 pursuant to statutory accessibility requirements (i.e., the Fair Housing Act requires compliance with design and construction accessibility requirements in multifamily dwellings with first occupancy after March 13, 1991).
- Many disabled individuals in Massachusetts have extremely low household incomes and therefore are often more financially limited in their ability to secure

private housing modifications to accommodate their disabilities. Extremely low incomes were most evident in the universe of renter occupied units. According to HUD CHAS rental data, 43% of non-elderly and 54% of elderly households with mobility and/or self-care limitations in renter occupied units had incomes less than or equal to 30% of the HUD area median family income (AMI).

#### Geographic Indicators:

- Compared to other racial/ethnic groups, the percentage of Hispanics or Latinos in Massachusetts has increased the most. With respect to householders, 5% were classified as Hispanic or Latino. A plurality of Hispanics or Latinos lived in Suffolk County, followed by Hampden County. Hispanics or Latinos, as well as Asians, were most likely to have moved into a unit between 1999 and March 2000 compared to other racial/ethnic groups.
- Immigrants are more likely to live in Eastern Massachusetts than in Cape Cod, in Central Massachusetts or the Western region, with the exception of the Springfield/Chicopee area.
- Geographical areas over-represented by Black or African Americans and Hispanics or Latinos often had higher housing cost burdens compared to other geographical areas in the state that are over-represented by Whites.
- Mobility to more “affordable” areas with less expensive housing costs is compromised when those locations have fewer services or attributes, such as public transportation, thereby effectively eroding their affordability.
- In Massachusetts, Black or African Americans and Hispanics or Latinos were approximately three times as likely as non-Hispanic Whites to have no vehicle available to them, and Asians were approximately twice as likely. Moreover, Black or African American and Hispanic or Latino workers over the age of 16 were more than two and three times more likely to rely on public transportation as a means of transportation.
- Minorities are more likely to live in areas of concentrated poverty than are Whites. In Massachusetts, over 60% of minorities live in low income census tracts and 24% live in very low income census tracts, compared to less than 18% and 2.5% of non-minority residents respectively. Moreover, The Harvard Civil Rights Project found that in Metro Boston minorities are more likely to live in “severely distressed” neighborhoods, or neighborhoods characterized as having at least three of the following characteristics: female headed families with children, high shares of high school dropouts, high shares of people in poverty, and high shares of males detached from the labor force.” While only 15.9% of

Whites lived in severely distressed neighborhoods, 47.7% of Blacks, 51.7% of Hispanics, and 22.2% of Asians lived in severely distressed neighborhoods.

- *However*, lower minority incomes does not offer a complete explanation for racial and ethnic segregation patterns, as African American and Latino households with incomes over \$50,000 were twice as likely to live in high-poverty neighborhoods than White households with incomes under \$20,000.
- The Harvard Civil Rights Project also found that in 80% of cities and towns in Metro Boston, African American and Latino homebuyers purchased homes at less than one-half the rate that would be expected based on the homes they are able to afford. Thus, wealth disparity is not a determining factor of residential homeownership patterns amongst minorities, but instead is one of a confluence of factors.
- Minorities in state and federally subsidized public housing and rental assistance programs (particularly multi-family) tended to be more concentrated in communities that are cities and have high minority populations and poverty rates.
- Abt Associates, Inc, recently issued a report revealing the percentage of LIHTC family units outside of highly concentrated minority areas. It stated that 12.5% of LIHTC family units (for projects placed in service 1995 to 2003) in Massachusetts were in census tracts with minority percentages less than the percentage for the metropolitan area.
- As revealed by Section 8 mobility programs, some minorities have impeded success in achieving mobility beyond low income areas due to factors such as low Section 8 payment standards, community support, and transportation barriers.
- Mobility is particularly challenging for disabled voucher holders and applicants, as the disabled population is disproportionately extremely low income and faces substantial rental market barriers even with voucher assistance.
- Within HUD multifamily housing, integration of disabled and non-disabled households was most likely to occur with physically disabled households than other disabled household types. However, units for the physically disabled were most likely to be concentrated by community.
- To reduce the segregation of disabled persons in Massachusetts, DHCD now administers the Community Based Housing (CBH) and the Facilities Consolidation Fund (FCF) programs, which subsidize long term integrated housing for disabled

persons. Additionally, DHCD administers programs for disabled persons that involve mobile vouchers, such as the state funded Alternative Housing Vouchers Program (AHVP) and the federally funded Section 8 Housing Choice Voucher programs, which enable disabled persons to select housing location.

#### Socio-structural Indicators:

- Regulatory barriers impede the interests of families with children and lower income households seeking to obtain affordable housing in Massachusetts. The Pioneer-Rappaport Institute has reported that according to a 2004 survey of 101 cities and towns closest to Boston, only 17% allowed multi-family housing entirely by right.

A variety of Massachusetts policies have reduced zoning barriers, creating more affordable housing, and promoting smart growth. For example, the Massachusetts Comprehensive Permit Law, Chapter 40B was enacted in 1969 to help address the shortage of affordable housing in Massachusetts and to encourage the production of affordable housing in all communities in the Commonwealth by reducing unnecessary barriers created by local approval processes, local zoning, and other restrictions. Thus far, Chapter 40B has produced a significant number of affordable housing units for households below 80% of the median income. According to the Citizens' Housing and Planning Association, from 2001 to 2006, approximately 82% of new production of affordable housing in municipalities at or below the 10% threshold is attributable to Chapter 40B, and over the past three years, approximately 30% of all housing production was attributable to Chapter 40B. DHCD has developed online guidance and resources for communities to utilize in understanding Chapter 40B and in creating affordable housing plans.

- To further increase the stock of affordable housing throughout Massachusetts, DHCD currently administers various programs that provide funding for rental and ownership housing development. For example, the HOME program is a federal housing program through which DHCD typically administers funds for rental housing production and rehabilitation, first-time homebuyer housing production and first-time homebuyer development assistance. DHCD also administers the Community Development Block Grant for housing rehabilitation and housing related projects and, along with quasi-public agencies, the Low Income Housing Tax Credit program, the Affordable Housing Trust Fund, and the Soft Second Loan Program. Through the recent passage and implementation of Chapter 40R, DHCD provides communities with financial incentives to create affordable and diverse housing in accordance with Smart Growth principles. DHCD also provides extensive technical assistance to communities to promoting affordable housing opportunities throughout the Commonwealth.

- To promote equal access in newly developed rental and ownership housing, affirmative fair housing marketing is an important mechanism for attracting racially, ethnically, and economically diverse households to areas where they are less likely to rent or buy. As such, DHCD and its quasi-public partners require affirmative fair marketing of subsidized units. Through DHCD's Local Initiative Program (LIP), DHCD provides assistance on affirmative fair marketing for qualifying comprehensive permit projects and local action units.
- Homeownership poses additional concerns with respect to fair and open lending practices throughout the Commonwealth. Massachusetts Community & Banking Council reports indicate racial disparities in lending practices. In 2004, the share of home-purchase loans for Blacks was about only one-half of the Black share of households in Boston in 2004. For Latinos, their share of home-purchase loans was higher, but only 75.9% of their share of Latino households. Denial rates were higher for African Americans and Latinos compared to Whites among low income applicants, but Black/White and Latino/White denial rates were greater among applicants with *higher* income levels than lower income levels.
- Furthermore, racial and ethnic minorities that are not denied home financing are still disproportionately subjected to unfavorable lending terms. For example, in the Boston Area in 2004, the high-APR loan (HAL) share for Black or African Americans and Latinos was five to six times greater than the HAL share for Whites in home purchase lending. Even among the upper-income populations, the HAL shares for Black or African Americans and Latinos for home purchase loans was approximately eight times greater than that of Whites.
- According to the Fair Housing Center of Greater Boston, discrimination in rental and sales markets are pronounced in the Boston area. The Fair Housing Center of Greater Boston testing results revealed that at least half of African Americans, Section 8 subsidy holders, and families with children were discriminated against in their efforts to find rental housing in the greater Boston area, as were 52% of Latinos. Most recently, the Fair Housing Center of Greater Boston concluded that homebuyers of color were disadvantaged in 17 of the 36 paired sales tests, and discriminatory lending practices in the Greater Boston area were more pronounced among *higher* income applicants.
- A recent survey by the Civil Rights Project at Harvard University indicated that over half of African Americans and over 40 percent of Latinos said that people of their respective groups believe they "miss out on good housing very often" because they cannot afford it, and 85% of African Americans and 69% of Latinos said their respective groups "miss out on good housing at least some of the time" because of "fear that they will not be welcome in a particular community."

Moreover, while over a third of Latinos and African Americans would be willing to move to all White neighborhoods, the majority were dissuaded because of perceived discrimination by White homeowners.

**Personal Awareness Indicators:**

- Despite indicators of discriminatory practices, relatively few complaints are filed. Limited or incomplete knowledge of fair housing rights likely provides a partial explanation.
- The U.S. Department of Housing and Urban Development February 2006 report revealed that, inconsistent with published testing results, only 4% of survey respondents representing individuals in households with children perceived discrimination with familial status as the basis, contrasted with 9% of disabled persons perceiving discrimination with disability as the alleged basis, 9% of Hispanics perceiving discrimination with race/ethnicity as the alleged basis, and 22% of African Americans perceiving discrimination with race/ethnicity as the alleged basis).
- To illustrate underreporting and the extent of fair housing awareness, a recent study by HUD on national trends indicated that almost two-thirds of survey respondents perceiving discrimination, with plausible bases, that did not take responsive action did not take action because they believed it would not have been worth it or would not have helped. The remainder of said respondents did not take action for reasons such as not knowing where/how to complain, fear of retaliation, too busy, fear of costs, and uncertainty as to whether discrimination occurred.

The Legal Framework section of this report is intended to augment awareness of fair housing rights and obligations and is followed by the Data Analysis section, which includes more detailed research findings, and the Action Steps to Mitigate Impediments to Fair Housing Access summarized below.

**Action Steps to Mitigate Impediments to Fair Housing Access:**

- Provide education on fair housing laws and incorporating fair housing principles into DHCD's programs and activities.
  - Increase DHCD staff knowledge of fair housing laws and obligations.
  - Facilitate education for community stakeholders on fair housing laws.

- Incorporate materials on the rights of disabled persons in fair housing education and continue to support housing for disabled persons that is integrated and located in areas that are accessible to and serve the needs of disabled persons.
- Evaluate performance of local housing authorities and regional housing agencies on their effectiveness in finding and providing appropriate housing for disabled persons, as well as for families with children.
- Collect, analyze, and report on relevant data pertaining to racial/ethnic minorities and other protected classes in subsidized housing programs and report on DHCD fair housing initiatives.
- Continue to incorporate fair housing principles in DHCD's programs and activities with the assistance of a fair housing specialist.
- Promote fair housing access by reducing regulatory barriers to, and creating incentives for, regional equity in affordable housing.
  - Continue promotion of Chapter 40B, Chapter 40R, inclusionary zoning, smart growth, and fair housing principles as tools for engendering equal housing opportunities throughout Massachusetts.
  - Provide funding priorities to municipalities that advance fair housing access.
  - Increase community accountability in mitigating impediments to fair housing access.
  - Foster partnerships between affordable housing programs, land conservation groups, and developers as a means for improving regional housing equity.
- Collaborate with partners, such as banks and lending institutions, on education pertaining to access to fair lending.
- Continue administration of Lead Paint Removal Program and increase lead paint education efforts.
- Continue to support and subsidize the production of affordable housing and community development, with an emphasis on promoting racially and economically integrated housing and neighborhoods.
  - Continue to support incentives and funding for the regionally equitable development of housing that is affordable to a range of lower income households.
  - Integrate affordable housing in areas that have, or will have through contemporaneous development, adequate community services and attributes.



- Increase community development in low income areas.
  - Continue to advocate statewide to mitigate zoning and affordability barriers.
  - Continue to require Affirmative Fair Marketing Plans, and further uniformity of requirements across programs.
- Promote mobility and fair housing access through information on housing opportunities and housing counseling, with attention to linguistically isolated households.
- Evaluate Local Selection Preferences for Potential Discriminatory Impacts.
- Promote regional equity and fair housing principles by linking housing, community, and transportation planning and development.
  - Foster regional equity and fair housing principles through subsidized housing funding, planning, and development.
  - Support housing mobility towards low poverty areas.
  - Promote equity in public transportation access.

The Action Steps to Mitigate Impediments to Fair Housing Access are discussed in much greater detail on page 100 of this report.